

P-401/CP-89-951 ORDER APPROVING TRAFFIC STUDY METHODOLOGY AND
REQUIRING FURTHER FILINGS

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm
Tom Burton
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Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Petition for
Extended Area Service From the
Hokah Exchange to the La Crosse,
Wisconsin Calling Area

ISSUE DATE: November 6, 1992

DOCKET NO. P-401/CP-89-951

In the Matter of the Petition of
Certain Subscribers in the
Northfield Exchange for Extended
Areas Service to the
Minneapolis/St. Paul
Metropolitan Calling Area

DOCKET NO. P-421/CP-87-352

In the Matter of the Petition of
Certain Subscribers in the
Cannon Falls Exchange for
Extended Areas Service to the
Minneapolis/St. Paul
Metropolitan Calling Area

DOCKET NO. P-407,421/CP-87-216

ORDER APPROVING TRAFFIC STUDY
METHODOLOGY AND REQUIRING
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PROCEDURAL HISTORY

I. Proceedings to Date

On January 29, 1992 the Commission issued its ORDER DENYING PETITIONS FOR RECONSIDERATION in the above-entitled Extended Area Service (EAS) dockets. Among other things, that Order required the local exchange and interexchange carriers serving the exchanges involved to meet and attempt to develop a workable procedure for measuring traffic on the proposed EAS routes. Since the proposed routes cross LATA boundaries, they are served by multiple interexchange carriers, making accurate traffic data difficult to compile.

The Commission asked the companies to include the Department of Public Service (the Department) in their discussions. The parties were asked to attempt to develop a procedure that did not require filings by the interexchange carriers, to suggest methods of ensuring prompt filings by the interexchange carriers if necessary, and to consider whether the procedure they developed could be used or adapted for use in cases involving intraLATA competition. A more complete description of the companies' proposal is attached hereto as Attachment A.

The companies, the Department, and Commission staff held several meetings, some by teleconference. The companies submitted their report on September 4, 1992. On October 6, 1992 the Department filed its report and recommendation, recommending adoption of the companies' proposal. The matter came before the Commission on October 27, 1992.

FINDINGS AND CONCLUSIONS

II. The Companies' Proposal

The companies concluded they could not measure traffic on the proposed EAS routes accurately without the participation of the interexchange carriers. To minimize the inconvenience to interexchange carriers (IXC's), they devised a process that would require most IXC's to report a minimum of one month's traffic data. AT&T, the IXC with the most traffic, agreed to provide one year's traffic data, to increase overall accuracy and allow identification of seasonal traffic variations. Seasonal variations were expected, and the companies agreed to apply a "seasonality factor" to other companies' data in calculating total traffic volumes.

Finally, the companies assumed there would be inadvertent underreporting of traffic volumes by the IXC's. U S WEST Communications, the local exchange carrier serving Northfield, therefore agreed to perform a one-month study of traffic volumes between Northfield and the metropolitan calling area. The results of that study would be used to develop a standard adjustment for underreporting.

With minor adjustments, the companies believed the procedure they developed could be used to measure traffic over competitive intraLATA routes as well.

III. Commission Action

The Commission has examined the proposal filed by the companies and their description of how it was developed. The proposal is sound. It resolves the issues surrounding IXC participation in the EAS process creatively, with minimum inconvenience to the IXC's, and with maximum accuracy. The Commission will approve the companies' proposal.

Once traffic studies have been prepared and filed, the EAS process can move forward. In the ordering paragraphs, the Commission will establish time frames for the filing of cost studies, proposed rates, lower cost alternatives to basic flat rate service, the Department's report, and final comments.

ORDER

1. Within 30 days of the date of this Order, interexchange carriers providing service between Cannon Falls and the metropolitan calling area, Northfield and the metropolitan calling area, or Hokah and LaCrosse shall file with the Commission and serve on the appropriate local exchange carriers, traffic studies meeting the standards set forth in Attachment A.
2. Any interexchange carrier unable to comply with the requirements of paragraph 1 shall file an explanation of that inability with the Commission within 30 days of the date of this Order.
3. Within 90 days of the date of this Order, the local exchange carriers shall file cost studies and proposed rates for the proposed EAS routes. In the same filing, they shall identify any issues they believe still require Commission resolution.
4. Within 90 days of the date of this Order, GTE and U S WEST shall file descriptions of the lower cost alternatives to basic flat rate service they propose to offer if the EAS petitions at issue are approved.
5. Within 60 days of receipt of cost studies and proposed rates, the Department of Public Service shall file its report and recommendations on those filings.
6. All parties shall have 20 days from the filing of the Department's report and recommendations to make final comments in each of these dockets.
7. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)